

THE HONOLULU ADVERTISER

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(Front Page)

Soft spot in cloak-and-dagger 'cocoon'

Second of a series

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Affable John C. "Jack" Kindschi seems perfect for the overt job in which he finished his career with the Central Intelligence Agency — as station chief in Honolulu.

But Jack Kindschi's undercover credentials are in order.

Pretending to work for a Washington, D.C., public relations firm, Robert R. Mullen & Company in Sweden, Kindschi actually spent the years 1962 to 1966 as a covert CIA agent, getting Chinese and Soviet citizens — reportedly including a top official of the Soviet KGB — to defect.

Kindschi, in an interview with The Advertiser, refused to talk about his CIA work at all. But details of his intelligence career have been gleaned from other sources.

While under Mullen cover, Kindschi moved to Mexico



a spy's-eye view of ron rewald

Continuing tomorrow in The Advertiser: Ex-CIA agent Jack Kindschi, an investor and consultant in Bishop Baldwin Rewald Dillingham and Wong, disputes Ron Rewald's claim that the CIA ran the bankrupt investment company.

City and monitored Soviet and Cuban activity in Central America until 1969.

Transferred to Washington, D.C., Kindschi helped keep track of Soviet activity in the United States for three years, then was given responsibility for personnel assignments in Western Europe.

The Mullen company's relationship with the CIA was

revealed as a result of the Watergate investigation in 1973.

In 1975, Kindschi's previous cover with Mullen was blown by turncoat CIA agent Philip Agee, in a book, "CIA Diary — Inside the Company."

The expose apparently didn't hurt Kindschi's career. He was named branch chief handling selected aliens and defectors to the United States.

Born July 4, 1927, in a small farm town in Wisconsin, Kindschi was, he chuckles, "destined to be serving my country, obviously."

He served in the Marines in World War II, earned degrees at the University of Wisconsin, then did graduate work in Russian studies there and at Northwestern University.

He was hired by the State Department and sent to the U.S. Embassy in Moscow in 1954 for classified work. He joined the diplomatic courier service, serving at the 1955 Geneva Conference, and in Frankfurt and Cairo. He quit State and worked briefly for a private

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Kindschi: life in CIA 'cocoon'

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foundation resettling Soviet refugees, before joining the CIA in 1957.

Kindschi says he met Ronald Rewald socially in Honolulu after Kindschi arrived in September 1978 to take over as station chief. He won't elaborate on the meeting.

Rewald had apparently already made contact with Kindschi's predecessor as station chief, Eugene Welsch. Although both men were from Wisconsin, Kindschi says he had never heard of Rewald.

How could Rewald's previous conviction on misdemeanor criminal charges in connection with a business transaction in Wisconsin, and his bankruptcy there, have escaped the attention of the CIA if it was dealing with Rewald?

The agency does have a mechanism for at least cursory checks on anyone with whom it deals.

But, persons familiar with those procedures say, Rewald's previous problems might not have appeared "on the radar screen" if the CIA had done a routine name check.

In any event, Kindschi was soon dealing with Rewald in some way on CIA business, apparently continuing what Welsch had started.

At the very least, Kindschi received rambling letters from Rewald describing his foreign travels. The agency routinely receives such information, some of it requested, from persons traveling abroad.

Far less common are CIA uses of companies created as "covers" for its activities. And Kindschi did reimburse telephone and

telex expenses for a small Bishop Baldwin subsidiary company called Canadian Far East Trading Corp., created in 1978.

Rewald says his CMI Investments Corp., activated in Hawaii in 1977, was also taken over as a CIA cover, along with H & H Enterprises, established the same year.

In January 1979, Kindschi became a silent investor in his new friend Rewald's Interpacific Sports company, purchasing a 10 percent interest for \$47,000.

He says he kept quiet about the investment because, while he considered it as innocent as a money-market fund, he knew the agency might consider the investment a conflict of interest. He says any suggestion that Interpacific was a CIA cover is "fantasy."

He says he began drawing \$1,000 a month from the company in 1980, to supplement his retirement benefits.

The only time Kindschi ever questioned Rewald's operation, Kindschi says, occurred when Rewald abruptly closed an Aikahi Shopping Center sporting goods store and opened a new one in Hawaii Kai, "without ever letting us know a thing about it. He glossed over it and assured me that the stores were doing extremely well."

Reassured, Kindschi says, he didn't question Rewald again.

"How could I be so stupid? I know," he shakes his head today. "Well, I also trust my friends. He was my friend. I believed in him. He told me these things. I accepted them at face value."

Rewald, Kindschi says, "has tremendous charisma," and is still using it, to try to win back former employees and the very investors he is accused of stealing from.

But how could the warmest, most charismatic figure so quickly and completely de-

ceive Jack Kindschi, a man trained in counter-intelligence to detect enemy agents operating under cover?

"But they're mostly foreign nationals, you see. I guess I take Americans pretty much at face value," Kindschi said.

And, Kindschi adds, "I think you have to realize that, as a government servant for the last 30 years essentially, I was somewhat vulnerable. I'd lived in a cocoon in a sense."

And at age 56, facing retirement on limited income and given a chance at a nice job — \$60 an hour and then \$2,000 and finally \$4,000 a month — "you probably put on rose-colored glasses or you don't ask the hard-searching questions that one should ask."

But, Jack, nobody wants to believe that any of these people who work for the CIA are suckers.

"Well, they are, though. We are well educated, but we are mainstream Americans, all of us. You know, there is a mystique about the agency, but it is ridiculous."

Butterfly Kindschi emerging from his government cocoon shared some of that vulnerability with other well-known Rewald friends.

"There was a feeling of reinforcement . . . You'd see Jack Lord, who was buddy-buddy with Ron, and you'd see Arnold Braswell (then commander-in-chief of Pacific forces), and you'd see the governor or lieutenant governor. I mean he attracted people like moths to a flame . . . he collected people . . . he had a way with people that was exceptional."

Kindschi says he flew into the heart of the flame in 1980.

Tomorrow: Kindschi joins Bishop Baldwin.